

Indiana Medicaid's Perspective of Assets & Income

(Updated June 2001)

Remember, Indiana Partnership policies protect assets—not income.

Important Note: The Medicaid program uses the term “resources” to mean assets. The Medicaid program distinguishes resources and income in determining eligibility and calculating the amount that a Medicaid recipient must contribute to medical expenses. The Indiana Partnership policy asset disregard applies to resources. Whether a resource or income is counted, and how it affects eligibility, depends on many factors. The information below is general in nature only. It is intended to give examples of certain types of resources and income. There are many other types of resources and income that might affect Medicaid eligibility. The listing of an item below does not necessarily mean that it will count toward Medicaid eligibility; depending on an individual's circumstances, some resources and income might be exempt or unavailable for Medicaid purposes. For a determination of a specific individual's circumstance, the circumstance and all related documents should be submitted to Mike Staesnick, 402 W. Washington St., Rm. W382, Indianapolis, Indiana, 46204, for a thorough review.

- **Annuities:** Prior to being annuitized, the balance is a resource. After it is annuitized, the payments are income in the month received**. Withdrawals prior to annuitization are considered resources.
- **Bank Accounts and Certificates of Deposit:** The balance on the *first day of the month is a resource. Interest earned is income in the month received.
- **IRAs:** Balance in the account on the *first day of the month (minus any penalty the person would incur for early withdrawal if under age 59 ½) is a resource. Dividends and interest earned is income in the month received. Withdrawals are considered resources (including minimum distributions).
- **Life Insurance with Cash Value:** The cash value is considered a resource.
- **Mutual Funds:** Balance in the account on the *first day of the month is a resource. Dividends or interest are income in the month received. Capital gains distributions to the fund's shareholders are income. Shares that are redeemed are resources.
- **Retirement Plans:** Whether it is considered a resource or income depends upon multiple factors. Each retirement plan would need to be reviewed and considered separately.
- **Stocks and Bonds:** Balance on the *first day of the month, based on current share price, is a resource. Dividends are income during the month received. Shares that are redeemed are considered resources.

*"First day of the month" – Medicaid is concerned about the applicant's financial picture as of the first moment of the first day of the month in which the applicant would be receiving benefits. For more information about how the date of application affects the date benefits begin, contact your local office of Family and Children.

**Income earned from resources is counted as income regardless of whether it is paid directly to the recipient or reinvested into the resource.